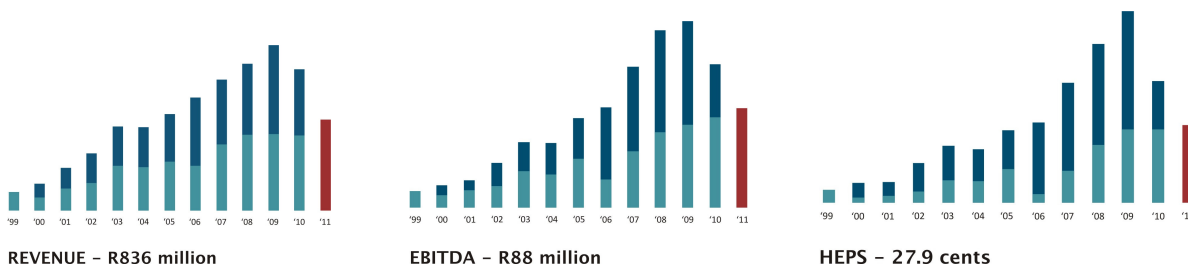


Datacentrix announces positive interim results, with revenue and EBITDA growth of 22 percent and 10 percent respectively

JOHANNESBURG – October 05, 2010 - IT systems, software, hardware and consulting services provider, Datacentrix Holdings Limited (“Datacentrix” or “the Group”) has announced positive interim financial results for the six months ended 31 August 2010. The Group showed revenue and EBITDA growth of 22 percent and 10 percent respectively.



The Group continues to maintain solid operational disciplines across the business, generating strong operating cash flows of R64 million, resulting in a cash balance of R294 million with no interest bearing debt. Tangible net asset value improved by 7 percent from 187 cents to 200 cents per share. Gross revenue increased to R836 million from R688 million, notwithstanding an extremely inhibited public sector performance.

Both headline earnings per share (HEPS) and basic earnings per share (EPS) increased by 4 percent.

According to Datacentrix CEO, Ahmed Mahomed, all divisions performed well, with the exception of the public sector unit, due to a slow down in government spending on IT and related infrastructure.

“We are encouraged by the performance of the Managed Services division, which improved earnings by 32 percent, in line with the Group’s strategy to evolve from a basic infrastructure and services provider to a complete IT solutions partner. Owing to this positive performance, the Group maintained double-digit EBITDA margins of 10.5 percent,” he says.

Furthermore, the Infrastructure division, the Group’s principal revenue earner, contributed 61 percent to group earnings. Says Mahomed: “The commercial sector performed well as a result of new client wins and spin-offs from the 2010 Soccer World Cup, cushioning the impact ensuing from decreased activity in existing clients, declining technology costs and a diminished technology footprint.” He adds that in terms of business emanating from the public sector, this segment of the market remains under severe constraints.

The State Information Technology Agency (SITA) confirmed in a media briefing in September 2010 that government spending has been drastically reduced in the last two years. In the briefing, SITA indicated that government is the single largest information and communication technology (ICT) spender in the

South African market. He placed government's share of the total ICT market at 15 percent over the last two years, well below the approximate 40 to 50 percent it has previously constituted.

"Whilst there is robust tender activity in this market segment, very few of these tenders are being awarded. This situation has an effect of decreased revenues, without the ability to reduce or redeploy resources focused on the public sector," says Mahomed.

Datacentrix believes that this trend will continue in light of the pressure on the fiscus – resultant from the 2010 Soccer World Cup expenditure, wage demands from public sector employees and lower tax collections.

"However, despite the diminished contribution of the public sector segment to group revenues, our performance showed a healthy improvement," emphasises Mahomed, confirming his previous statement that the Group is gaining market share in the commercial and managed services areas.

In terms of investments, the strategic investment made by Datacentrix in the Business Solutions and Managed Services divisions has increased the Group's annuity revenue.

Further investments, in the period under review, were made in a variety of value-based offerings ranging from selective outsourcing, managed print services, data centre solutions capability and storage solutions. These have also contributed positively to group profitability. "During the past six months, we strengthened our data centre and security capabilities. These capabilities form part of the Group's strategy to be a leading service provider of data centre solutions encompassing all disciplines of architecture, implementation and maintenance, and include cloud-based computing expertise," says Mahomed.

Management is satisfied that the Group's strategic decision to develop into a total IT solutions provider has borne fruit and positions Datacentrix for its next growth phase. Mahomed believes that the challenging economic climate for the sector will continue to fuel consolidation in the market, offering opportunities to access new clients and invest in further resources. "Our strong focus and investments made to position ourselves as leaders in the data centre space will continue, and together with our key partners, we will leverage our competencies that include unified communications, infrastructure security, biometrics and access management, networking, data centre and desktop virtualisation.

"In summary, I am of the opinion that these positive interim results and the success of our strategy are due to Datacentrix' ability to anticipate technology adoption and customer needs and to develop appropriate offerings," concludes Mahomed.

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